LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY**, **JUNE 5, 2007**, upon the application of **GREYSTONE OIL & GAS, LLP**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Lower Cotton Valley Formation**, **Reservoir A and the D Sand of the Cotton Valley Zone**, in the Greenwood-Waskom Field, Caddo Parish, Louisiana.

LOWER COTTON VALLEY FORMATION, RESERVOIR A

- 1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir A.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30 of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate Applicant as Operator of and its Turner No. 1 Well as the unit well for the proposed additional unit.
- 4. To redefine the Lower Cotton Valley Formation, Reservoir A, INSOFAR AND ONLY INSOFAR AS TO the proposed unit LCV RA SUJ and the existing unit LCV RA SUH, as being that gas and condensate bearing interval encountered between the measured depths of 8,771 feet and 9,990 feet (electric log measurements) in the Elgie Company, Inc. (formerly Amoco Production Company)-Eugene F. Dunn No. 1 Well (SN 169220), located in Section 2, Township 16 North, Range 16 West.
- 5. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 270-V, effective July 31, 1981, as amended and supplemented by the Order No. 270-V Series of Orders, and of all applicable Statewide Orders, to the proposed additional unit.
- 6. To authorize the downhole combination of production from the Lower Cotton Valley Formation, Reservoir A, and the D Sand of the Cotton Valley Zone, in the wellbore of any well drilled on the identical units LCV RA SUJ and CVD SUOO, or on the identical units LCV RA SUH and CVD SUHH, in which the interest in the units are identical.
- 7. To consider such other matters as may be pertinent.

The Lower Cotton Valley Formation, Reservoir A, is currently defined in Office of Conservation Order No. 270-V, effective July 31, 1981.

D SAND OF THE COTTON VALLEY ZONE

- 1. To authorize Applicant to drill, designate and utilize its Turner No. 1 Well, at the location shown on the plat submitted with the application, as the substitute unit well for CVD SUOO, in exception to the spacing provisions of Office of Conservation Order No. 193-B, effective January 5, 1954.
- 2. To authorize Applicant to drill, designate and utilize its Querbes 18 No. 1 Well, at the location shown on the plat submitted with the application, as an alternate unit well for CVD SUHH, in exception to the spacing provisions of Office of Conservation Order No. 193-B, effective January 5, 1954.

-6-GREENWOOD-WASKOM FIELD 07-575 thru 07-578

- 3. To designate Applicant as operator of the proposed alternate unit well for CVD SUHH, and to authorize Applicant to report production from such well separately from the unit well which is operated by D-S-B Properties, Inc.
- 4. To find that the proposed substitute and alternate unit wells are necessary to efficiently and economically drain a portion of the hydrocarbons underlying these units which cannot be efficiently and economically drained by any existing wells within these units.
- 5. To consider such other matters as may be pertinent.

The D Sand of the Cotton Valley Zone, is defined in Office of Conservation Order No. 193-B, effective January 5, 1954.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, LA 5/1/07;5/4/07 S lck

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.